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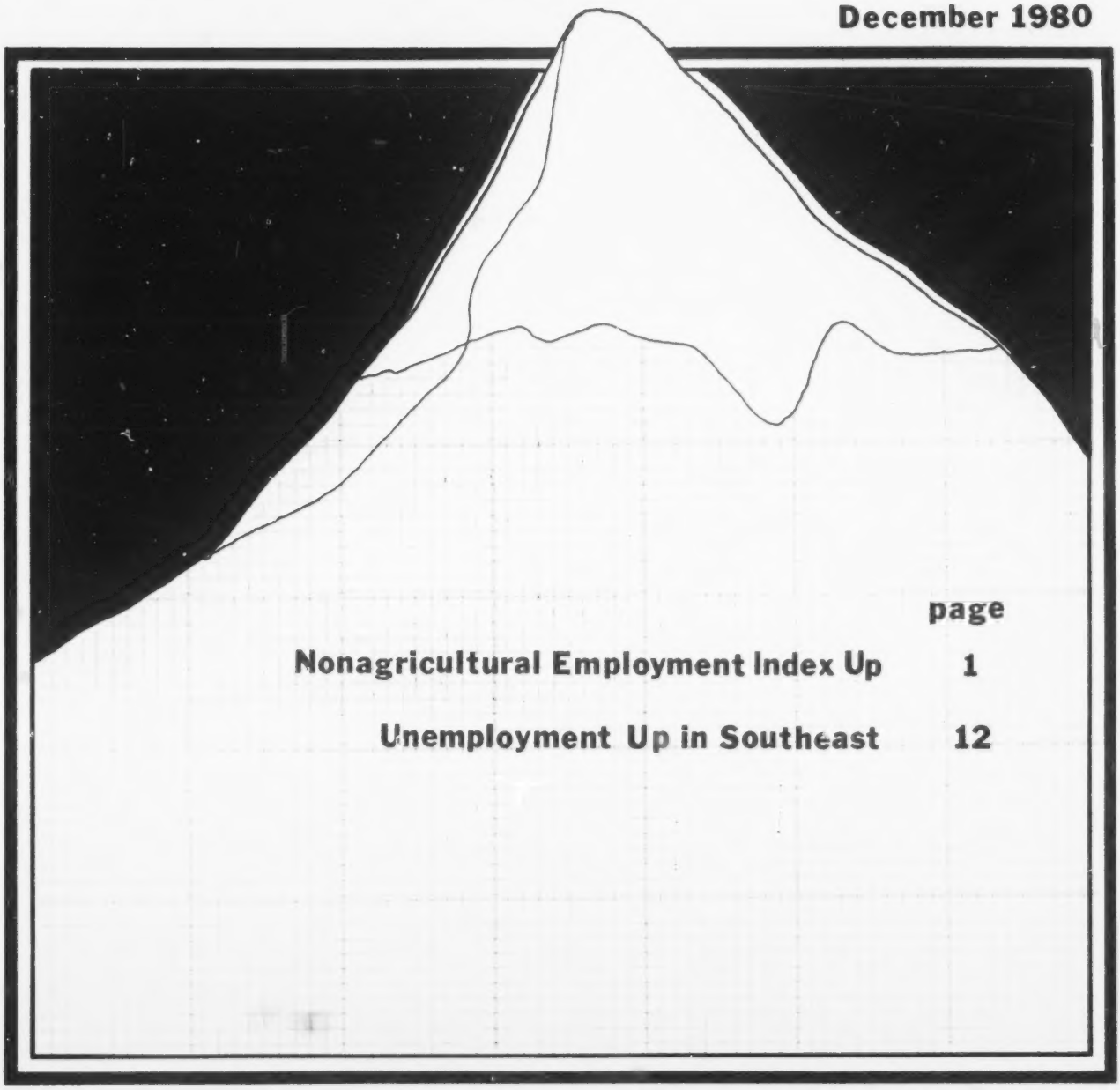
# ALASKA ECONOMIC TRENDS

December 1980

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STATE OF ALASKA · DEPARTMENT OF LABOR
RESEARCH AND ANALYSIS SECTION
JAY S. HAMMOND, GOVERNOR

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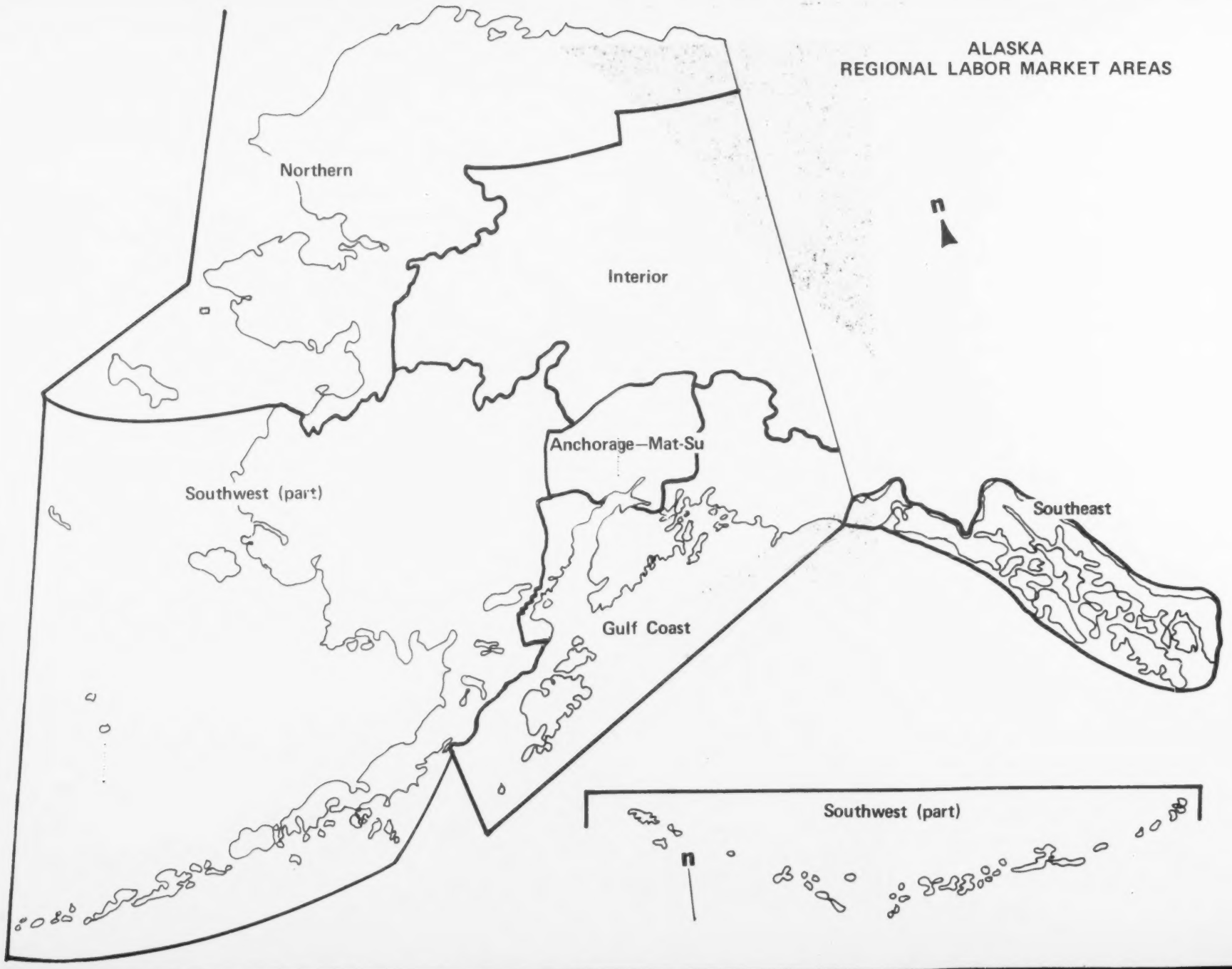
ALASKA
REGIONAL LABOR MARKET AREAS
Northern
Interior
Anchorage—Mat-Su
Southwest (part)
Southeast
Gulf Coast
Southwest (part)

# ALASKA ECONOMIC TRENDS

Jay S. Hammond, Governor
State of Alaska

Edmund N. Orbeck, Commissioner
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Administrative Services

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Research and Analysis

December 1980

Chris Miller, Editor

Alaska Labor Force in October
by Chris Miller

Generally, unemployment around the state rose during the month of October. Statewide, Alaska's unemployment rate for the month was 8.6 percent up from 7.6 percent the previous month. Though normal seasonal trends were the primary factor behind the rise in unemployment it should be pointed out that the implementation of Alaska's new unemployment insurance law may also have had some affect.

In varying degrees some local Job Service offices did notice a dip and then rise in the number of claimants filing for unemployment insurance between September and October. This situation was most pronounced in the Seward area where unemployment dropped in September to 4.4 percent from 8.2 percent in August and then jumped to 13.0 percent in October. Because the salmon industry in that area shut down during the month of September most potential UI claimants delayed filing until October to take advantage of the new UI law and its higher benefit amounts.

Though nonagricultural wage and salary employment dropped by approximately 1.5 percent between September and October there are definite signs that Alaska's economic well-being is on the upswing. The nonagricultural employment index rose from 161.5 to 165.9 from September to October and has been above year ago levels for the past four months. Currently construction is the only major private industry with employment significantly below year ago levels. Though Alaska's economic recovery can by no means be described as robust, there are definite signs that the economy has turned the corner.

In 1980 mining has been the most dynamic industry in the state growing by approximately 17 percent. Most of this growth, as one would expect,is centered in the oil industry which has grown approximately 15 percent over the year. Activity on the North Slope, which accounts for approximately 51 percent of the state's oil industry employment, has been the primary source of these new jobs.

Employment in the construction industry continues to trail year ago levels. The decline is generally centered in the Anchorage/MatSu area. The rest of the state is either holding its own or experiencing some growth. Construction employment in the Northern region, particularly around Prudhoe Bay; has grown approximately 100 percent over the year due to development of the Beaufort Sea and work on the salt water injection system. Employment is up also in the Interior region, however this may be primarily due to moderate weather during the month.

Employment in the manufacturing industry is up approximately 3 percent compared to the last year. Growth in this industry is primarily the result of expansion in the seafood processing industry which has grown roughly 15 percent over the year. During the past two years American fishermen have been aggressively pursuing the once international shellfish industry within Alaska's 200 mile limit. Though Alaska's salmon industry operates primarily during the summer months various species of shellfish can be caught year round. The primary ports involved in the crab fishery are Kodiak in the Gulf of Alaska and Dutch Harbor on the Aleutian Chain. Through September approximately 235.8 million pounds off various species of shellfish have been processed in Alaska. This is up approximately 3 million pounds from the previous year.

The logging industry in contrast to the seafood processing industry has entered a slump. Statewide employment in this industry is down approximately 15 percent compared to last year. The employment declines are primarily located in the Southeastern region of Alaska. As a result unemployment in that part of the state has jumped. Unemployment in the

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
ALASKA

| | P/ 10/80 | R/ 9/80 | 10/79 | CHANGES FROM: 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY .... | 175500 | 178100 | 172700 | -2600 | 2800 |
| MINING..... | 6600 | 6600 | 5600 | 0 | 1000 |
| CONSTRUCTION..... | 12000 | 12600 | 12900 | -600 | -900 |
| MANUFACTURING..... | 12700 | 14900 | 12400 | -2200 | 300 |
| FOOD & KINDRED PRODUCTS..... | 7000 | 8700 | 6200 | -1700 | 800 |
| LUMBER & PAPER PRODUCTS..... | 3200 | 3500 | 3800 | -300 | -600 |
| ALL OTHER MANUFACTURING..... | 2500 | 2700 | 2400 | -200 | 100 |
| TRANS. COMM. & UTILITIES..... | 17100 | 17900 | 17100 | -800 | 0 |
| TRUCKING & WAREHOUSING..... | 2000 | 2300 | 1800 | -300 | 200 |
| WATER TRANSPORTATION..... | 1300 | 1400 | 1300 | -100 | 0 |
| AIR TRANSPORTATION..... | 5200 | 5300 | 5500 | -100 | -300 |
| OTHER TRANS. COMM. & UTILITIES | 8600 | 8900 | 8500 | -300 | 100 |
| TRADE..... | 30000 | 30300 | 30100 | -300 | -100 |
| WHOLESALE TRADE..... | 5700 | 5800 | 5700 | -100 | 0 |
| RETAIL TRADE..... | 24300 | 24500 | 24400 | -200 | -100 |
| GEN. MERCHANDISE & APPAREL | 4000 | 4100 | 4200 | -100 | -200 |
| FOOD STORES..... | 3800 | 3900 | 3800 | -100 | 0 |
| EATING & DRINKING PLACES.... | 8100 | 8300 | 8300 | -200 | -200 |
| OTHER RETAIL TRADE..... | 8400 | 8200 | 8100 | 200 | 300 |
| FINANCE-INSURANCE & REAL ESTATE. | 8600 | 8500 | 8600 | 100 | 0 |
| SERVICES & MISCELLANEOUS..... | 31400 | 31700 | 30100 | -300 | 1300 |
| TOTAL GOVERNMENT..... | 57100 | 55600 | 55900 | 1500 | 1200 |
| FEDERAL GOVERNMENT..... | 17700 | 17500 | 18700 | 200 | -1000 |
| STATE GOVERNMENT..... | 16000 | 15900 | 15300 | 100 | 700 |
| LOCAL GOVERNMENT..... | 23400 | 22200 | 21900 | 1200 | 1500 |

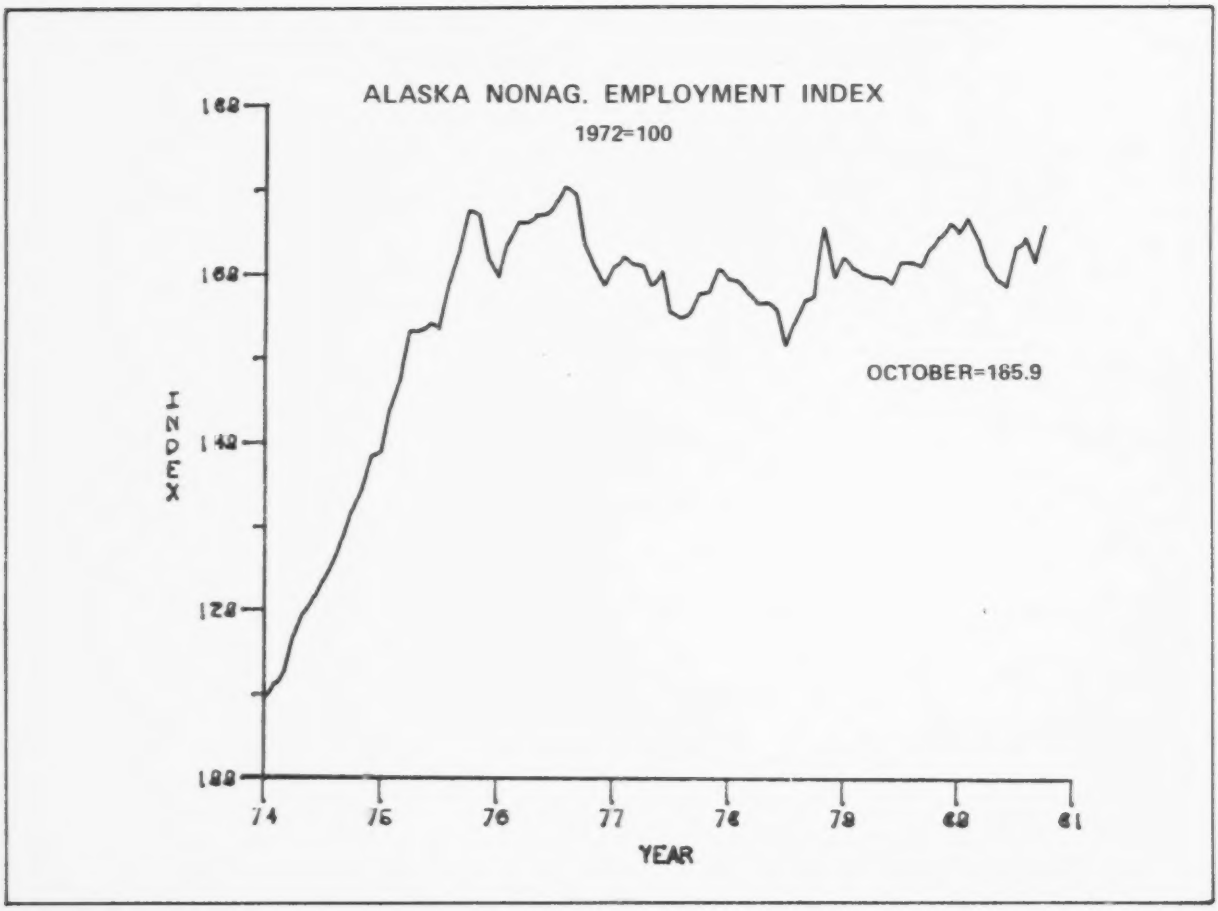
1/ PREPARED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

2/ INCLUDES TEACHERS IN PRIMARY AND SECONDARY SCHOOLS, AND PERSONNEL EMPLOYED BY THE UNIVERSITY OF ALASKA.

3/ BENCHMARK DATE MARCH 1979.

P/ DENOTES PRELIMINARY ESTIMATES.

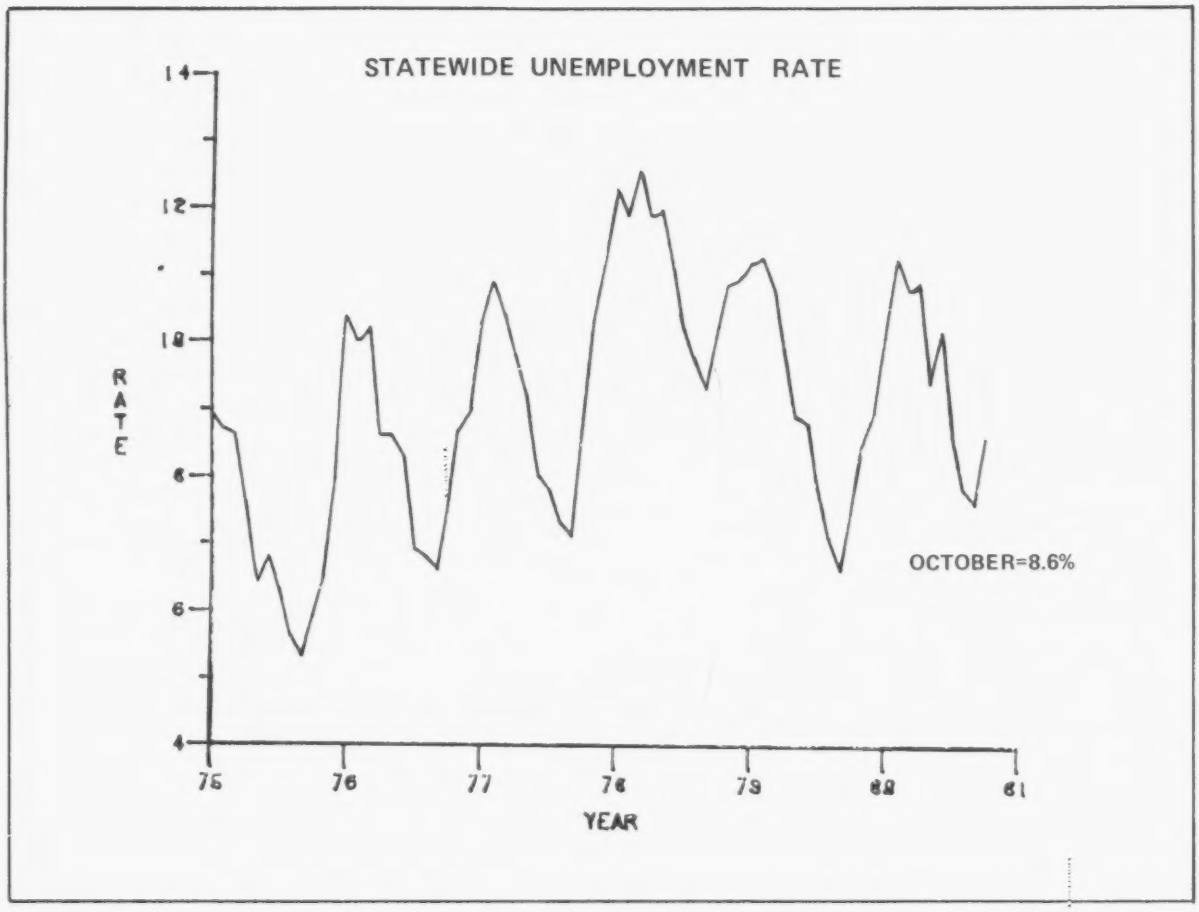
R/ DENOTES REVISED ESTIMATES.




Ketchikan area jumped from 6.8 percent in September to 11.0 percent in October. On Prince of Wales Island which is a primary logging area just outside of Ketchikan, unemployment jumped from 6.9 percent to 12.3 percent.

This situation is not expected to improve until there is a turnaround in the U.S. and Japanese housing industries. Currently the housing industry in both countries is depressed. In the U.S. the situation is caused primarily by high interest rates and in Japan by the high price of land as well as the high cost of borrowed money.

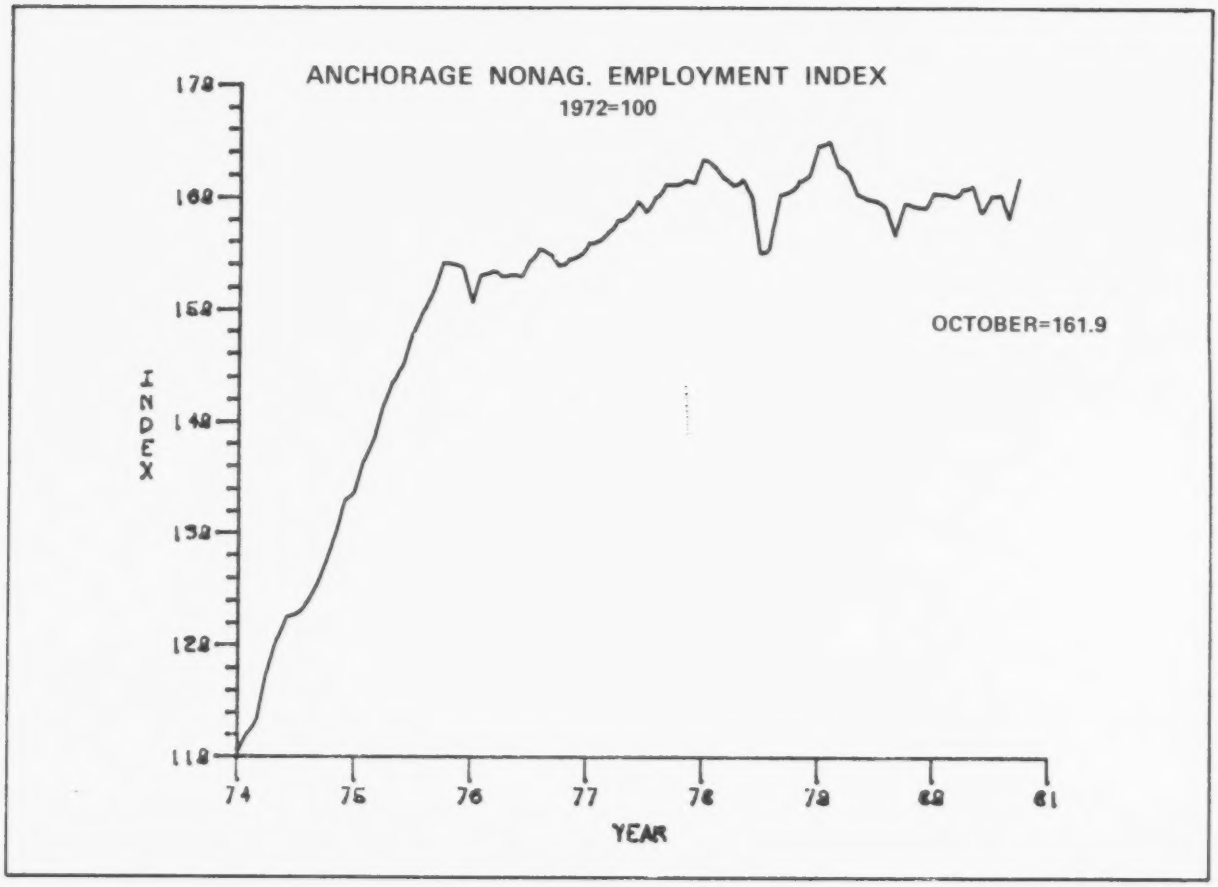
Following the upward trend of the mining and manufacturing industries the rest of Alaska's economy appears to have stabilized. Compared to last year most industries are roughly at or above year ago levels. A large proportion of this growth is occurring in the Anchorage area. Employment growth around the rest of the state is somewhat more moderate. Among the transportation, trade, finance and service industries, the service industry has had the most growth over the year. This industry has benefited from population growth and the development of Alaska's renewable and nonrenewable resources. Further stimulus for this industry has come from state government which is in the process of implementing a massive capital spending budget which was passed by last year's legislature. Apparently a large portion of the design work for the capital projects which will start construction next summer are being developed by private industry.




ANCHORAGE/MATSU LABOR FORCE IN OCTOBER
By Neal Fried

As elsewhere in the state, Anchorage's economy began to wind down for the winter months. The unemployment rate for Anchorage rose to 6.8 percent and the Valley's rate rose by 1 point to 15.2 percent. The number of unemployed grew far more rapidly than the decline in the number of employed. This may be largely attributable to eligible unemployment claimants whom waited until October to file a claim because of the new higher benefit amounts which became effective in October. Though, there was the usual decline in employment in October, and the summer season was somewhat lackluster, the nonagricultural employment index ended somewhat on an upbeat with 161.9 or 2.4 points above last years index in October and is actually above all previous years for October. The index for the past 6 months has been in most cases above year-ago levels but because it has been so slight, conclusions cannot be made without watching the index for the next 6 months.

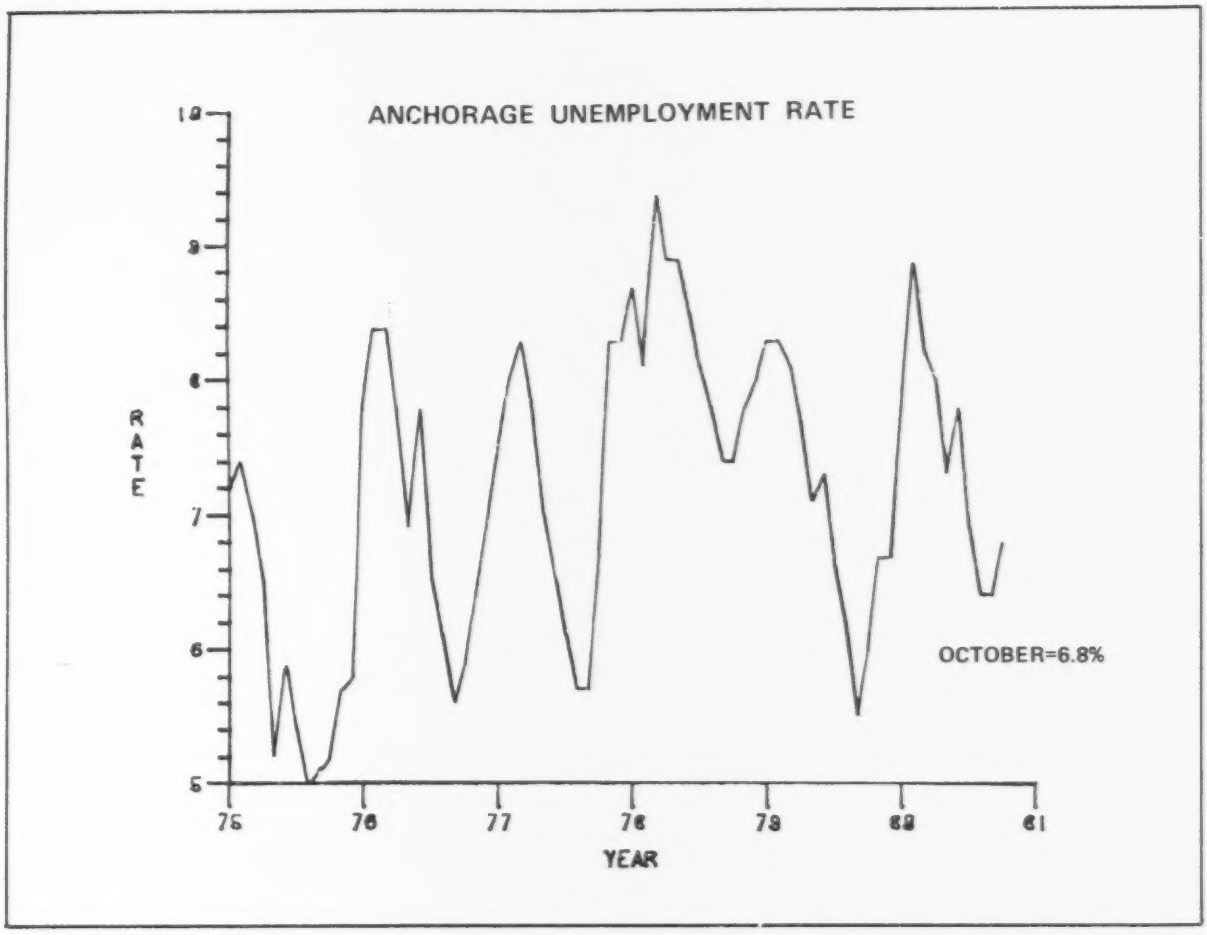
Looking at employment by industry, three industries lost employment, an equal number had gains and the balance remaining stable. Those which lost, however, incurred greater losses, causing the overall wage and salary employment to decline by 5.6 percent. Construction lived up to its reputation by being the largest loser in the seasonal downswing. Heavy construction declined by 570, making it the major contributor to the loss, as highway projects in both Anchorage and the Valley were completed or




closed down for the season in September and the early part of October. The South Birchwood and O'Malley interchanges jobs were completed in September. The new North-South runway was completed at the end of October while work on the Pt. McKenzie road in the Valley continued through the month. General construction which is largely building and residential work, only fell slightly as work continued unhampered in October because of the mild weather.

In the Anchorage/MatSu region, mining employment remained stable with slight shifts within the industry. Oil services employment received another boost when Arctic Alaska Drilling began building their $13.5 million oil rig in Anchorage as planned in September and continued to go full bore in October. They expect it to be completed in December and to be shipped north. In October 43 people were working on the rig. In February they expect to begin building two more rigs valued at $17.5 million and 15 million and they plan to build at the pace of 3 per year. This, along with the increasing activity on the North Slope will push mining employment in Anchorage upwards. Mining in the Valley declined only slightly, because October was still gold digging weather for most of the month. With freeze up, most will close down for the season. Over-the-year employment growth in this sector more than doubled.

The service industry experienced modest increases this month. Growth among engineering, architectural and surveying firms were largely responsible for the employment expansion in services. The engineering and architectural firms are busy working on the planning and design phases for the large number of capital




projects planned for the coming construction season as a result of the record capital and special appropriations made in the last legislative session. Anchorage has its project 80's, and the Valley has a number of projects planned. The local firms were also benefiting from projects planned throughout the state. This has also been providing benefits to the survey firms. The land disposal program the state is presently working on,is also providing a boost to these firms.

Manufacturing and transportation declines were largely seasonal. Fish processing employment fell again in September, causing manufacturing to drop. With the end of the tourist season, air transportation dipped slightly and constructions decline rippled through the trucking sector. The Consumer Price Index, is one economic indicator which only knows one direction--upwards. Some relief did appear, however, when the annual rate of change for Anchorage's September CPI registered its smallest increase since July 1978! The annual rate of change was not only under the double digit level but it hit a low of 8.3 percent This compares to 12.6 for the nation. For most of 1979 and 1980 the annual rate of change remained in the 10 percent range.

All areas in September increased less rapidly with the exception of medical care. This may indicate Anchorages present sluggish economy; which has meant less upward pressure on prices. The housing and retail market still lacks much vigor. Retail space has con-

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
ANCHORAGE

| | P/ 10/80 | R/ 9/80 | 10/79 | CHANGES FROM: 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY..... | 79800 | 80250 | 78750 | -450 | 1050 |
| MINING..... | 2150 | 2150 | 1950 | 0 | 200 |
| CONSTRUCTION..... | 6400 | 7250 | 7100 | -850 | -700 |
| MANUFACTURING..... | 1600 | 1750 | 1600 | -150 | 0 |
| FOOD & KINDRED PRODUCTS..... | 250 | 450 | 300 | -200 | -50 |
| OTHER MANUFACTURING..... | 1350 | 1300 | 1300 | 50 | 50 |
| TRANS. COMM. & UTILITIES..... | 8400 | 8550 | 8000 | -150 | 400 |
| TRUCKING & WAREHOUSING..... | 1050 | 1100 | 1050 | -50 | 0 |
| WATER TRANSPORTATION..... | 300 | 300 | 350 | 0 | -50 |
| AIR TRANSPORTATION..... | 3400 | 3450 | 3050 | -50 | 350 |
| OTHER TRANS. COMM.& UTILITIES. | 3650 | 3700 | 3550 | -50 | 100 |
| TRADE..... | 17500 | 17450 | 17200 | 50 | 300 |
| WHOLESALE TRADE..... | 4150 | 4200 | 4000 | -50 | 150 |
| RETAIL TRADE..... | 13350 | 13250 | 13200 | 100 | 150 |
| GENERAL MERCHANDISE ..... | 1850 | 1900 | 1700 | -50 | 150 |
| FOOD STORES..... | 1900 | 1850 | 1700 | 50 | 200 |
| EATING & DRINKING PLACES.... | 4650 | 4650 | 4800 | 0 | -150 |
| OTHER RETAIL TRADE..... | 4950 | 4850 | 5000 | 100 | -50 |
| FINANCE-INSURANCE & REAL ESTATE. | 5150 | 5150 | 5100 | 0 | 50 |
| SERVICES & MISCELLANEOUS..... | 16350 | 16300 | 15800 | 50 | 550 |
| GOVERNMENT 2/..... | 22250 | 21650 | 22000 | 600 | 250 |
| FEDERAL..... | 9250 | 8950 | 9450 | 300 | -200 |
| STATE..... | 5350 | 5150 | 4950 | 200 | 400 |
| LOCAL..... | 7650 | 7550 | 7600 | 100 | 50 |

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3/ BENCHMARK DATE MARCH 1979.

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R/ DENOTES REVISED ESTIMATES.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
ANCHORAGE-MATSU

| | P/ 10/80 | R/ 9/80 | 10/79 | CHANGES FROM: 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY..... | 83050 | 83200 | 81650 | -150 | 1400 |
| MINING..... | 2150 | 2150 | 1950 | 0 | 200 |
| CONSTRUCTION..... | 6600 | 7400 | 7300 | -800 | -700 |
| MANUFACTURING..... | 1650 | 1850 | 1650 | -200 | 0 |
| TRANSP.-COMM. & UTILITIES..... | 8850 | 8900 | 8300 | -50 | 550 |
| TRADE..... | 18350 | 18200 | 17800 | 150 | 550 |
| FINANCE-INSURANCE & REAL ESTATE. | 5300 | 5250 | 5200 | 50 | 100 |
| SERVICES & MISCELLANEOUS..... | 16600 | 16500 | 16100 | 100 | 500 |
| GOVERNMENT 2/..... | 23550 | 22950 | 23350 | 600 | 200 |

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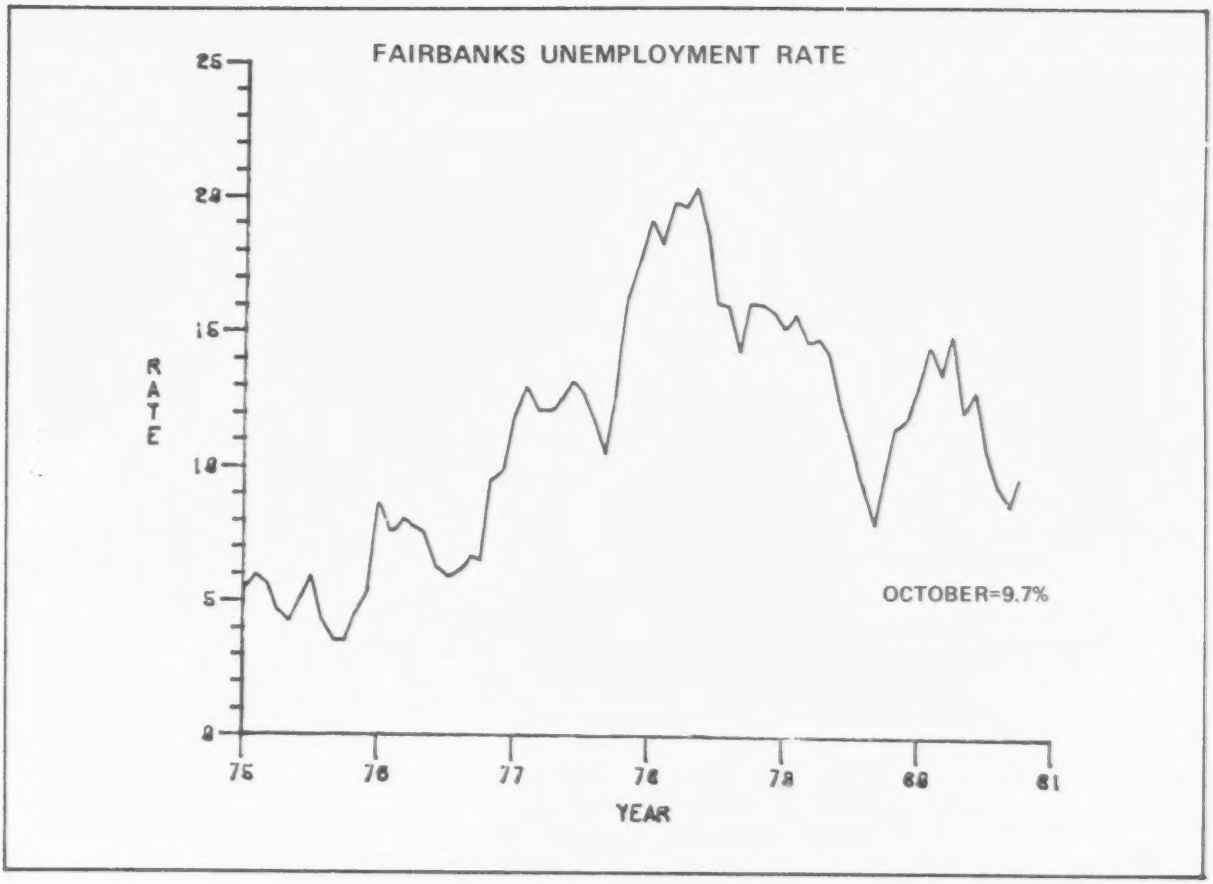
tinued to grow, through this period without a corresponding increase in demand making competition more fierce, putting further down pressures on prices. As the local economy begins to pick up in the coming year, the CPI may very well do the same. Upward pressure on food prices is expected this winter due to the crop shortfalls. This low September rate could prove to be short lived and rate could go back to the 10 percent range but will likely remain below the national levels. The economies of scale phenomenon has also been keeping Anchorage's CPI below the nations. The commercial markets are continuing to grow creating more efficiency and helping to bring down prices.

FAIRBANKS'/INTERIOR'S LABOR FORCE IN OCTOBER
by NEAL FRIED

The Fairbanks and Interior unemployment rates of 9.7 and 10.3 respectively, began their long winter climb this month. The Fairbanks local unemployment Insurance Office was busy this month. The number of new claims in October topped last years level for the same month. This is the first time this year where the number of new claims for a month was higher than last years. Seasonal layoffs began and the beginning of a new benefit quarter contributed to this. However, the major reason for this surge is that October was the first month the new unemployment insurance benefit amounts

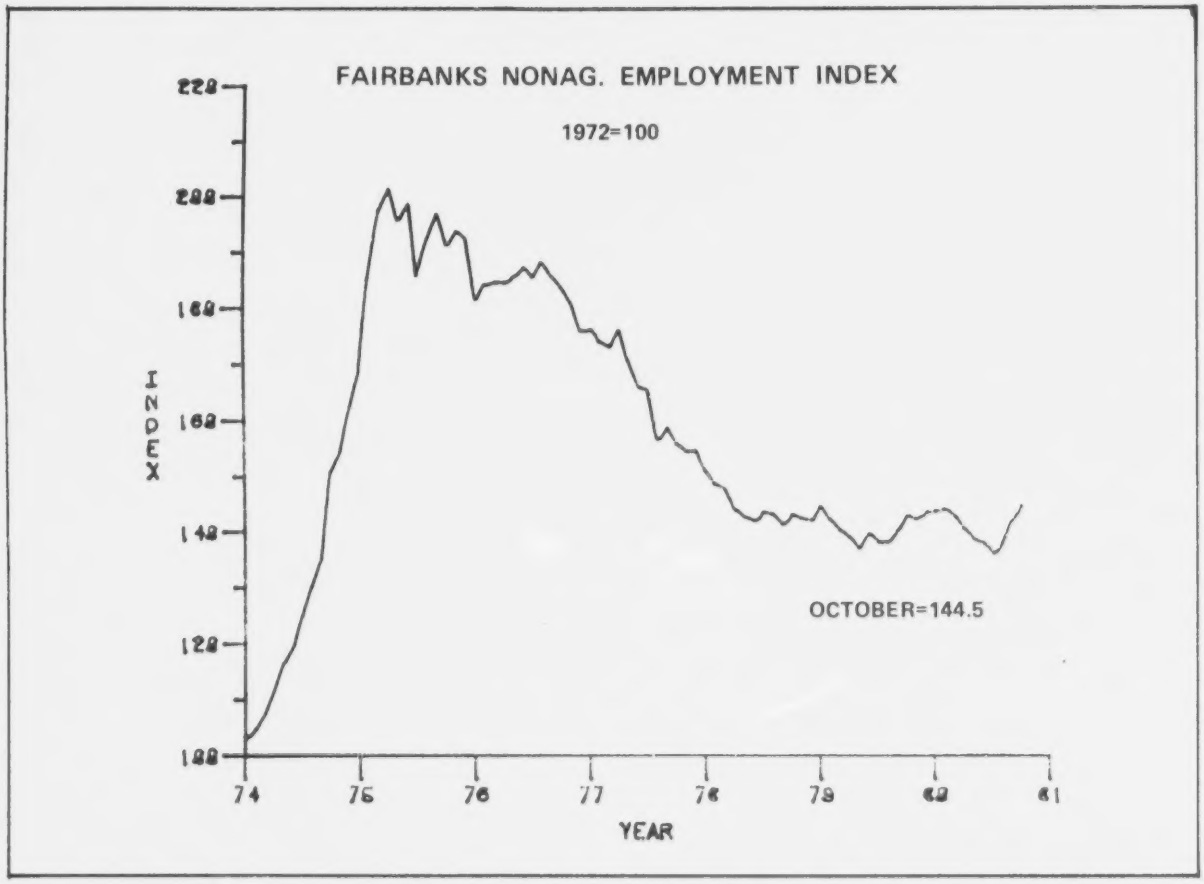



became effective. Some claimants which were eligble prior to October may have waited until October to file claims to take advantage of the new benefit amounts. The number of total claims remains below last year's levels though, and this will continue to be the case during the next two quarters. This is largely due to the fact that Fairbank's economy has stabilized this year.

Though the Interior's economy began to show signs of winter, it was not quite ready to plunge with determination into the new season. Employment did decline slightly in Fairbanks (1.6 percent), but not as much as it does typically in October. One reason why this did not happen, was because of the mild weather experienced this year in October.

In October employment in highway construction was at 680, which represents an increase of 90 over the previous year. Highway construction, which has been registering above last year's levels for the past 5 months, did not lose as much employment as it normally does in October because work could continue on some projects through the month. It was to cold for paving work, but earth moving and other road work could be done. Dirtwork from Boston Creek to Pehaps Creek (mile 44-54) on the Steese highway continued in high gear thru October. Work was also being done on the Chena Hot Springs Road (21-57 mile), which will be completed next season. The Tolovana to Livengood work was completed in early October, along with a number of other projects, and work will continue on other sections next year.

Though the weather was merciful in October, another very different part of the Interior's economy suffered great losses.




In the Delta region, 6500-7000 tons of mostly barely were harvested, but approximately 50 percent of the harvest was left in the fields due to poor weather conditions. This season experienced more than the normal amount of precipitation, so that the barley was not able to dry out as much as necessary. The crippling blow came when the Delta regions had an unusually early frost and an early snowfall, which was extremely destructive. Because of the weather, the harvest was long this year, beginning early in September and it was not completed until the third week of October. This has meant economic hardships to a large number of the farmers and some attrition of farmers is expected. Other individuals will take their places, for there is a long list of potential farmers hoping to get involved in the Delta project.

Despite this destruction, it was a record harvest, about double past years' harvests. The state bought all of the grains and expects to sell all of it in state this year. The number of livestock, hogs and horses appears to have grown rapidly, because of an increasingly dependable supply and price of grains. This is the last year the state is expected to buy the harvest. Recently a farmers' marketing cooperative was organized; it will take over this responsibility of marketing the farmer's harvest in the future.

Work continued on the fertilizer plant in October and it is expected to be complete in December. Clearing of virgin land will continue all winter by both farmers and private contractors. Despite this year's set back, acreage will expand and, weather permitting, next year's

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
FAIRBANKS

| | P/ 10/80 | R/ 9/80 | 10/79 | CHANGES FROM: 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY..... | 22250 | 22600 | 22050 | -350 | 200 |
| MINING..... | 50 | 50 | 50 | 0 | 0 |
| CONSTRUCTION..... | 2250 | 2400 | 1950 | -150 | 300 |
| MANUFACTURING..... | 550 | 600 | 500 | -50 | 50 |
| TRANSP.-COMM. & UTILITIES..... | 2550 | 2600 | 2700 | -50 | -150 |
| TRUCKING & WAREHOUSING..... | 400 | 400 | 400 | 0 | 0 |
| AIR TRANSPORTATION..... | 600 | 600 | 750 | 0 | -150 |
| OTHER TRANS. COMM.& UTILITIES. | 1550 | 1600 | 1550 | -50 | 0 |
| TRADE..... | 3750 | 3700 | 3850 | 50 | -100 |
| WHOLESALE TRADE..... | 700 | 700 | 700 | 0 | 0 |
| RETAIL TRADE..... | 3050 | 3000 | 3150 | 50 | -100 |
| GENERAL MERCHANDISE & APPARE | 400 | 400 | 400 | 0 | 0 |
| FOOD STORES..... | 550 | 550 | 600 | 0 | -50 |
| OTHER RETAIL TRADE..... | 2100 | 2050 | 2150 | 50 | -50 |
| FINANCE-INSURANCE & REAL ESTATE. | 800 | 800 | 850 | 0 | -50 |
| SERVICES & MISCELLANEOUS..... | 4600 | 4800 | 4500 | -200 | 100 |
| GOVERNMENT 2/..... | 7700 | 7650 | 7650 | 50 | 50 |
| FEDERAL..... | 2200 | 2100 | 2200 | 100 | 0 |
| STATE..... | 3300 | 3400 | 3200 | -100 | 100 |
| LOCAL..... | 2200 | 2150 | 2250 | 50 | -50 |

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R/ DENOTES REVISED ESTIMATES.

crop will double this years projections, prior to the destruction.

In Fairbanks most industries lost some employment with the exception of government, trade, and finance insurance and real estate. The last two industries may have been buoyed somewhat by the state income tax returns received by most taxpayers in September as a result of the income tax repeal.

Trade remained stable and finance inched upwards in October. Both industry's employment are typically stable so that the direct impact of the tax returns would be hard to accurately measure. Government employment grew as employment surged upwards and local schools continued to add staff.

In terms of employment, services was the biggest loser in Fairbanks, dropping by

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
INTERIOR

| | P/ 10/80 | R/ 9/80 | CHANGES FROM: 10/79 | 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY..... | 26200 | 27050 | 25550 | -850 | 650 |
| MINING..... | 300 | 300 | 150 | 0 | 150 |
| CONSTRUCTION..... | 2500 | 2650 | 2100 | -150 | 400 |
| MANUFACTURING..... | 650 | 750 | 600 | -100 | 50 |
| TRANS. COMM. & UTILITIES..... | 3450 | 3550 | 3700 | -100 | -250 |
| TRADE..... | 3950 | 4000 | 4050 | -50 | -100 |
| FINANCE-INSURANCE & REAL ESTATE. | 900 | 900 | 900 | 0 | 0 |
| SERVICES & MISCELLANEOUS..... | 4900 | 5200 | 4750 | -300 | 150 |
| GOVERNMENT 2/..... | 9550 | 9700 | 9300 | -150 | 250 |

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200. The last tourists left in September and, with the general slow down in economic activity, the hotel businesses pare down their seasonal workforce. Other areas of services, such as business services also contributed to this decline. Fairbanks' and the Interior's economy as a whole can expect continual decline during the coming four months, as the winter takes hold and seasonal layoffs continue.

Southeast Alaska's Labor Force
in October
by Debbie Berggren

Total nonagriculture wage and salary employment in Southeast declined by approximately 2,250 jobs, or 7.7 percent, during October. The unemployment rate increased from 7.0 percent in September to 10.1 percent in October. Though normal seasonal declines were the main factor behind this increase in unemployment; it should be pointed out that the implementation of Alaska's new unemployment law may have had some affect.

Manufacturing employment declined by approximately 3,950 jobs, or 31 percent, during October. With the end of the fishing season, seafood processing employment dropped by 65 percent. The soft lumber market is beginning to have a significant impact on employment in the wood products sector, which is 20.9 percent below last year. As a result, the unemployment rate for the Southeast region is 10.1 percent for October, up from 7.1 per-

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT 1/ 3/
BY PLACE OF WORK
SOUTHEAST ALASKA

| | P/ 10/80 | R/ 9/80 | 10/79 | CHANGES FROM: 9/80 | 10/79 |
|---|---|---|---|---|---|
| NONAGRICULTURAL WAGE & SALARY.... | 26050 | 28300 | 26250 | -2250 | -200 |
| CONSTRUCTION..... | 1100 | 1200 | 1150 | -100 | -50 |
| MANUFACTURING..... | 3300 | 4800 | 3950 | -1500 | -650 |
| TRANS. COMM. & UTILITIES..... | 2450 | 2850 | 2500 | -400 | -50 |
| TRADE..... | 3700 | 3850 | 3750 | -150 | -50 |
| WHOLESALE TRADE..... | 300 | 350 | 350 | -50 | -50 |
| RETAIL TRADE..... | 3400 | 3500 | 3400 | -100 | 0 |
| FINANCE-INSURANCE & REAL ESTATE | 1150 | 1200 | 1200 | -50 | -50 |
| MINING, SERVICES & MISC..... | 3400 | 3500 | 3250 | -100 | 150 |
| GOVERNMENT 2/..... | 10950 | 10900 | 10450 | 50 | 500 |
| FEDERAL..... | 2300 | 2350 | 2400 | -50 | -100 |
| STATE..... | 4700 | 4750 | 4550 | -50 | 150 |
| LOCAL..... | 3950 | 3800 | 3500 | 150 | 450 |

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3/ BENCHMARK DATE MARCH 1979.

P/ DENOTES PRELIMINARY ESTIMATES.

R/ DENOTES REVISED ESTIMATES.

cent last year. This situation is not expected to improve until the U.S. and Japanese housing industries pick-up.

With the end of the construction season, employment in the construction industry decreased by 9 percent over September. The hardest hit sector was heavy construction, with a decrease in employment of 11 percent.

In the Services industry, employment in the hotels and motels sector decreased by 15 percent due to the end of the tourist season. Decreases in employment for the Trade industry were brought on by economic slowdowns.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2/

| | AVERAGE HOURLY EARNINGS | | | AVERAGE WEEKLY HOURS | | | AVERAGE WEEKLY EARNINGS | | |
|---|---|---|---|---|---|---|---|---|---|
| | p/ 9/80 | r/ 8/80 | 9/79 | p/ 9/80 | r/ 8/80 | 9/79 | p/ 9/80 | r/ 8/80 | 9/79 |
| MINING | 17.58 | 18.31 | 17.66 | 50.1 | 50.9 | 53.7 | 880.76 | 931.98 | 948.34 |
| CONTRACT CONSTRUCTION | 21.44 | 21.19 | 19.21 | 45.7 | 46.4 | 43.5 | 979.81 | 983.22 | 835.64 |
| MANUFACTURING | 10.28 | 8.90 | 9.83 | 45.7 | 52.3 | 39.8 | 469.80 | 465.47 | 391.23 |
| Food & Kindred Products | 7.38 | 7.20 | 6.70 | 45.5 | 57.3 | 36.7 | 335.79 | 412.56 | 245.89 |
| Lumber & Paper Products | 14.73 | 14.64 | 13.39 | 48.8 | 41.6 | 45.6 | 718.82 | 609.02 | 610.58 |
| TRANSPORTATION,COMM. & UTILITIES. | 12.74 | 12.73 | 13.00 | 38.1 | 38.5 | 36.8 | 485.39 | 490.11 | 478.40 |
| TRADE | 9.21 | 9.16 | 8.45 | 33.9 | 35.0 | 35.1 | 312.22 | 320.60 | 296.60 |
| Wholesale Trade | 11.49 | 11.35 | 10.10 | 38.6 | 39.6 | 39.8 | 443.51 | 449.46 | 401.98 |
| Retail Trade | 8.35 | 8.22 | 7.77 | 32.4 | 33.3 | 33.4 | 270.54 | 273.73 | 259.52 |
| FINANCE,INSURANCE & REAL ESTATE.. | -- | -- | -- | -- | -- | -- | 283.41 | 287.02 | 264.99 |

1/ Prepared in cooperation with the Bureau of Labor Statistics US Department of Labor

2/ excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

HOURS AND EARNINGS IN SEPTEMBER
by Janet Blair

During the month of September all industries except manufacturing, reported a decline in average weekly earnings in spite of an increase for most of them in average hourly earnings. This is an indication that a definite seasonal pattern has taken shape, as fishing, logging, construction and tourist industries are slowing down for the 1980 season, (sending most of the part-time and seasonal workers off to other ventures).

Taking a look at the individual industries in our sample, the manufacturing industry was the only one with a dramatic rise in hourly earnings (16 percent or $1.38). However, weekly earnings increased less than 1.0 percent. An important factor which contributed to the increase in hourly earnings was the layoff of part-time and seasonal workers, who generally earn a lower wage, leaving those workers who, for the most part, work at higher hourly rates.

For the rest of the major industries, there was a seasonal influence causing the decline in weekly earnings, as the month of September brought the summer season to a close.

An exception to this seasonal decline was the lumber industry. What, in fact, occurred was a significant decline in employment in logging whose average hourly earning are slightly lower compared to average hourly earnings in wood processing.

Another industry directly affected by seasonal activity was transportation, communication and utilities. This industry had a decline in weekly earnings of about 1.0 percent or $4.72. The rise in fuel costs and competition due to deregulations was also a consideration and may have accounted for the adjustment in wages.

Compared with September 1979 figures, it was interesting to see that, with the exception of mining, weekly earnings have increased in all sectors. However, not all industries have kept up with inflation this year. Trade (5 percent), finance, insurance and real estate (4.5 percent) and transportation, communication and utilities (1.0 percent) report an increase in earnings behind the annual inflation rate.

In summary, the indication for hours and earnings in Alaska's major industries is towards a healthy and progressive growth pattern.

LABOR FORCE BY REGION AND CENSUS DIVISION

| | Labor Force | | | Unemployment | | | Rate | | | Employment | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | p/ 10/80 | r/ 9/80 | 10/79 | p/ 10/80 | r/ 9/80 | 10/79 | p/ 10/80 | r/ 9/80 | 10/79 | p/ 10/80 | r/ 9/80 | 10/79 |
| ALASKA STATEWIDE | 188052 | 189785 | 181522 | 16187 | 14493 | 13621 | 8.6 | 7.6 | 7.5 | 171865 | 175292 | 167901 |
| ANCHORAGE-MATSU REGION | 90079 | 89721 | 89776 | 6734 | 6313 | 5889 | 7.5 | 7.0 | 6.6 | 83345 | 83408 | 83887 |
| ANCHORAGE | 82545 | 82273 | 82389 | 5589 | 5259 | 4932 | 6.8 | 6.4 | 6.0 | 76956 | 77014 | 77457 |
| MATANUSKA-SUSITNA | 7534 | 7448 | 7387 | 1145 | 1054 | 957 | 15.2 | 14.2 | 13.0 | 6389 | 6394 | 6430 |
| GULF COAST REGION | 22752 | 23441 | 20741 | 2266 | 2160 | 1878 | 10.0 | 9.2 | 9.1 | 20486 | 21281 | 18863 |
| CORDOVA | 1281 | 1320 | 1166 | 121 | 115 | 98 | 9.4 | 8.7 | 8.4 | 1160 | 1205 | 1068 |
| KENAI | 12082 | 12505 | 11082 | 1308 | 1312 | 1161 | 10.8 | 10.5 | 10.5 | 10774 | 11193 | 9921 |
| KODIAK | 4952 | 5235 | 4536 | 314 | 417 | 265 | 6.3 | 8.0 | 5.8 | 4638 | 4818 | 4271 |
| SEWARD | 1721 | 1627 | 1529 | 223 | 71 | 150 | 13.0 | 4.4 | 9.8 | 1498 | 1556 | 1379 |
| VALDEZ | 2716 | 2754 | 2428 | 300 | 245 | 204 | 11.0 | 8.9 | 8.4 | 2416 | 2509 | 2224 |
| INTERIOR REGION | 25690 | 26029 | 24658 | 2655 | 2390 | 2481 | 10.3 | 9.2 | 10.1 | 23035 | 23639 | 22177 |
| FAIRBANKS | 20966 | 21275 | 20216 | 2027 | 1838 | 1981 | 9.7 | 8.6 | 9.8 | 18939 | 19437 | 18235 |
| SOUTHEAST FAIRBANKS | 2025 | 2052 | 1937 | 216 | 196 | 196 | 10.7 | 9.6 | 10.1 | 1809 | 1856 | 1741 |
| UPPER YUKON | 526 | 531 | 472 | 116 | 111 | 78 | 22.1 | 20.9 | 16.5 | 410 | 420 | 394 |
| YUKON-KOYUKUK | 2173 | 2171 | 2033 | 296 | 245 | 226 | 13.6 | 11.3 | 11.1 | 1877 | 1926 | 1807 |
| NORTHERN REGION | 9024 | 9021 | 7691 | 643 | 657 | 562 | 7.1 | 7.3 | 7.3 | 8381 | 8364 | 7129 |
| BARROW-NORTH SLOPE | 3479 | 3478 | 3006 | 135 | 140 | 161 | 3.9 | 4.0 | 5.4 | 3344 | 3338 | 2845 |
| KOBUK | 2377 | 2355 | 2021 | 241 | 224 | 204 | 10.1 | 9.5 | 10.1 | 2136 | 2131 | 1817 |
| NOME | 3168 | 3188 | 2664 | 267 | 293 | 197 | 8.4 | 9.2 | 7.4 | 2901 | 2895 | 2467 |
| SOUTHEAST REGION | 28673 | 29920 | 28760 | 2908 | 2081 | 2055 | 10.1 | 7.0 | 7.1 | 25765 | 27839 | 26705 |
| ANGOON | 338 | 344 | 343 | 54 | 37 | 48 | 16.0 | 10.8 | 14.0 | 284 | 307 | 295 |
| HAINES | 822 | 909 | 807 | 112 | 141 | 71 | 13.6 | 15.5 | 8.8 | 710 | 768 | 736 |
| JUNEAU | 10021 | 10628 | 10209 | 784 | 650 | 636 | 7.8 | 6.1 | 6.2 | 9237 | 9978 | 9573 |
| KETCHIKAN | 6704 | 6917 | 6623 | 736 | 469 | 438 | 11.0 | 6.8 | 6.6 | 5968 | 6448 | 6185 |
| OUTER KETCHIKAN | 1142 | 1135 | 1103 | 195 | 112 | 121 | 17.1 | 9.9 | 11.0 | 947 | 1023 | 982 |
| PRINCE OF WALES | 1403 | 1429 | 1384 | 172 | 98 | 108 | 12.3 | 6.9 | 7.8 | 1231 | 1331 | 1276 |
| SITKA | 3725 | 3914 | 3814 | 315 | 229 | 280 | 8.5 | 5.9 | 7.3 | 3410 | 3685 | 3534 |
| SKAGWAY | 1496 | 1555 | 1498 | 170 | 122 | 123 | 11.4 | 7.8 | 8.2 | 1326 | 1433 | 1375 |
| WRANGELL-PETERSBURG | 3022 | 3089 | 2979 | 370 | 223 | 230 | 12.2 | 7.2 | 7.7 | 2652 | 2866 | 2749 |
| SOUTHWEST REGION | 11834 | 11653 | 9896 | 981 | 892 | 756 | 8.3 | 7.7 | 7.6 | 10853 | 10761 | 9140 |
| ALEUTIAN ISLANDS | 3008 | 2963 | 2527 | 152 | 131 | 122 | 5.1 | 4.4 | 4.8 | 2856 | 2832 | 2405 |
| BETHEL | 3993 | 3942 | 3282 | 423 | 402 | 275 | 10.6 | 10.2 | 8.4 | 3570 | 3540 | 3007 |
| BRISTOL BAY BOROUGH | 529 | 522 | 451 | 29 | 26 | 30 | 5.5 | 5.0 | 6.7 | 500 | 496 | 421 |
| BRISTOL BAY | 1498 | 1462 | 1268 | 106 | 81 | 95 | 7.1 | 5.5 | 7.5 | 1392 | 1381 | 1173 |
| KUSKOKWIM | 1078 | 1055 | 924 | 114 | 99 | 112 | 10.6 | 9.4 | 12.1 | 964 | 956 | 812 |
| WADE HAMPTON | 1728 | 1709 | 1444 | 157 | 153 | 122 | 9.1 | 9.0 | 8.4 | 1571 | 1556 | 1322 |

p/=Preliminary r/=Revised 1979 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska'a CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.